

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1395
ANSWERED ON:04.03.2016
Defence Deal with Augusta Westland
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Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government has revealed a scam regarding brokerage of 360 crore of rupees in the Augusta Westland helicopter deal of Rs.3600 crore;
- (b) if so, the details thereof and the time by which CBI is likely to submit its report in this regard;
- (c) the details of action taken against guilty persons in the said deal; and
- (d) whether the Government is reconsidering the defence deals with Augusta Westland?

Answer

MINISTER OF DEFENCE (SHRI MANOHAR PARRIKAR)

(a) to (d): On the reports of the arrest of the Chief Executive of Finmeccanica in connection with the investigations in Italy regarding alleged financial malpractices by M/s Agusta Westland International Ltd. (AWIL), UK in the procurement of 12 VVIP / VIP helicopters for the Indian Air Force (IAF), the Ministry of Defence, on February 12, 2013, asked the Central Bureau of Investigation (CBI) to conduct an enquiry into the matter. CBI have registered a criminal case against M/s Agusta Westland and others on March 3, 2013 for alleged payment of bribes / commission in the

procurement of VVIP helicopters for the IAF. The investigation in the case is underway. During the investigation, Letters Rogatory have been sent to eight countries, namely UAE, UK, Switzerland, Singapore, Italy, Mauritius, Tunisia and British Virgin Islands. Finalization of investigation by the CBI is dependent upon receipt of the execution report of the pending Letters Rogatory from all these countries.

The contract for the supply of 12 VVIP / VIP helicopters signed with M/s AWIL on February 8, 2010 has been terminated by the Ministry of Defence with effect from January 1, 2014, on grounds of breach of the provisions of the Pre-contract Integrity Pact and breach of the terms of the Contract by M/s AWIL.

Directorate of Enforcement (ED) has also registered a case on July 3, 2014 under Prevention of Money Laundering Act (PMLA) 2002 and has initiated investigations. The ED has attached assets worth Rs.11.44 crore and filed a Prosecution Complaint against accused persons in the Special Court under the PMLA.
